

RatingsDirect®

Summary:

Garland, Texas; Letter of Credit

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Credit Profile

US\$60.0 mil elec util sys subord ln rev cml pap nts ser 2014

Short Term Rating

A-1+

New

Rationale

Standard & Poor's Ratings Services assigned its 'A-1+' rating to Garland, Texas' series 2014 electric utility system subordinate lien revenue commercial paper notes.

The rating reflects a letter of credit (LOC) provided by Wells Fargo Bank N.A. (A-1+). The LOC is due to expire June 30, 2018. The LOC will cover \$60 million in principal payments on the notes, along with interest at the maximum rate of 15% per annum for a 270-day period. The issuing and paying agent, U.S. Bank National Assn., is instructed not to issue notes:

- With a maturity exceeding 270 days,
- Beyond the day prior to LOC expiration,
- If the issuance would exceed the bank's LOC commitment,
- Beyond the CP notes' maturity date, or
- If the LOC-providing bank has given the agent a no-issuance notice.

If the agent receives a final drawing notice, the trustee is instructed to immediately draw on the LOC an amount sufficient to pay future maturing notes.

Related Criteria And Research

Related Criteria

Criteria: Methodology And Assumptions: Approach To Evaluating Letter Of Credit-Supported Debt, July 6, 2009

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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